software to actually roll out the scheme in the field. Hence, funds could not be fully utilized. During the year, 2009-10, an amount of Rs. 350/- crore has been allocated. Efforts are being made to utilize the entire allocation by the end of financial year *i.e.* 31.03.2010.

(c) The RSBY is being implemented in 20 States/Union Territories, namely, Assam, Bihar, Chhattisgarh, Delhi, Goa, Gujarat, Haryana, Himachal Pradesh, Jharkhand, Kerala, Maharashtra, Nagaland, Orissa, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh, Uttarakhand, West Bengal, and Chandigarh Administration. However, the Government of Rajasthan has discontinued the scheme. Remaining States except Andhra Pradesh and Madhya Pradesh have initiated action for implementation of the scheme. The benefits of the scheme have been explained to all State Governments, including Andhra Pradesh and Madhya Pradesh. However, it is for the State Government to take a decision in this regard.

(d) and (e) By the end of the year, 2009-10, 1.2 crore BPL families (a unit of five) are expected to be covered and all the estimated 6 crore BPL families are proposed to be covered in the next four years.

FDI in roads and highways sector

1489. SHRI M.V. MYSURA REDDY:

SHRI NANDAMURI HARIKRISHNA:

SHRI PENUMALLI MADHU:

Will the Minister of ROAD TRANSPORT AND HIGHWAYS be pleased to state:

(a) whether it is a fact that his Ministry estimated that it would get about US $10 billion Foreign Direct Investment (FDI) in the next two years in the roads and highways sector;

(b) whether it is also a fact that FDI is not flowing as expected in view of some of the issues in the concession agreement documents; and

(c) if so, the details thereof and how the Ministry plans to remove the impediments so as to attract more and more FDI in the roads and highways sector?

THE MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS (SHRI R.P.N. SINGH): (a) to (c) The Eleventh Five Year Plan envisages an investment of US $ 128.25 billion in infrastructure sector including about US $41.05 billion in the roads and highways sector by the Private sector which would also include Foreign Direct Investment (FDI). The FDI in the past three years and upto September, 2009 in current year had been US $ 1,132.02 million in Roads and Highways Sector. With a view to remove the impediments so as to attract more FDI in the roads and highways sector, the Government have approved all the recommendations of the B.K. Chaturvedi Committee for revised strategy for implementation of National Highway Development Project (NHDP) which include modifications to the model documents like Request for Qualification (RFQ), Request for Proposal (RFP) and Model Concession Agreement (MCA) as also the procedures for modes of delivery of Highways as per the details enclosed as Statement.

Statement

Government has approved the following recommendations of the B.K. Chaturvedi Committee

(i) Modifications to the existing MCA, RFQ, and RFP documents for the road sector, as per details given below:-

a. Termination Provisions in Road Concession Agreements (Para 5.1.1).

b. Exit Policy for (Developer) Concessionaire in MCA. (Para 5.1.2).

c. Issue of Security to Lenders in MCA (Para 5.1.3).

d. RFP Provisions - Forfeiture of bid security of bidders on account of non-responsiveness (Para 5.1.4).

e. Eligibility of applicants/conflict of interest as per RFQ provisions-common shareholding levels (Para 5.1.5).

f. Eligibility of applicants /conflict of interest as per RFQ provisions -Continuation of conflict of interest (Para 5.1.6).

g. Associate - definition in RFQ thereof (Para 5.1.7).

h. "Threshold technical capability" "Eligible projects" (TTC) in latest RFQ (Para 5.1.8).

i. Increase in Equity Grant (VGF) to 40% by merging 20% equity and 20% O&M Grant into Equity Grant (Para 5.1.9).

j. RFQ process - project wise pre-qualification be substituted with annual/periodic pre-qualification (Para 5.1.10).

k. Premium provisions under RFP /MCA (Para 5.1.11).

(ii) Issuance of the RFQ and RFP for the road sector projects after incorporating the recommendations made by the Committee in the Model RFQ and RFP documents issued by the Ministry of Finance, as referred to at clause 1 (i) above.

(iii) Further amendments to RFQ and RFP provisions, where necessary, will be carried out by the Ministry of Road Transport and Highways (MoRTH) on the basis of recommendations of the NHAI Board.

(iv) Setting up of an Inter-Ministerial Group (IMG) under the Chairmanship of Secretary, MORTH with representatives of DEA, Department of Expenditure, Planning Commission and Ministry of Law and Justice to consider issues relating to MCA. Where there is unanimity in the decision, the same will be then put up to the Minister, Road Transport & Highways for approval. Where there is no unanimity in the decision, the matter will be placed before the Empowered Group of

Ministers (EGoM) comprising the Finance Minister, Minister of Road Transport & Highways and Deputy Chairman, Planning Commission. The EGoM will also consider and take decision on all issues where there is no unanimity in committees at the level of officers and which do not require approval of the Cabinet/CCI.

(v) Continuance of endeavour to award projects within the available overall budgetary ceilings, as per the detailed Work Plan for the current year (2009-10) for 12,652 Km presented by the NHAI to the Committee.

(vi) Recommendations made by the Committee as regards the 'Modes of Delivery' and the 'Financing Plan' approved with the proviso that the financing plan for 2010-11 onward would be considered by the Empowered Group of Ministers for further action, including such changes to the work plan as may become necessary.

(vii) Carrying out implementation of road projects on all the three modes of delivery *viz.* BOX (Toll), BOT (Annuity) and EPC (Item Rate Contract) concurrently rather than sequentially. Roads below a certain threshold in terms of traffic do not merit testing on BOT (Toll) as the process only leads to delays in implementation and award. Hence, a road not found *prima facie* suitable for BOT (Toll) can be implemented directly on BOT (Annuity) subject to the overall cap as envisaged in the Work Plan. The decision of shifting a project from BOT (Toll) to BOT (Annuity) would be taken by the IMG chaired by Secretary, MORTH and approved by Minister, Road Transport & Highways.

(viii) Before implementing a project on EPC basis, it will be compulsorily tested for BOT (Annuity) and only if unacceptable bids are received then only the project will be awarded on EPC basis. Normally, an Annuity bid working out to an Equity IRR of up to 18% will be acceptable as per these norms. However, in the event of bids exceeding the Equity IRR of 18 %, the same will be bid out on EPC. In case of difficult areas having law & order problems, security, inhospitable terrain etc, a bid working out to an Equity IRR of up to 21% will be acceptable considering the risk premium of 3 %, on case to case basis. PPPAC will be empowered to give approval for projects to be moved from Annuity to EPC where acceptable bids have not been received.

(ix) In case of projects under NHDP Phase IV, if the traffic is less than 5,000 PCUs, the project will directly be taken up on EPC. For the specific EPC km lengths recommended in the Work Plan, specific EPC packages will be presented before the existing EFC in the MORTH for approval.

(x) Based on the feasibility report, the projects would be tried first on BOT (Toll) and in case of non-viability/poor response, the same would be shifted to BOT (Annuity) failing which on EPC. For the projects where NHAI is not able to get bids, the process of preparation of detailed project report may be initiated immediately to save time in case such projects are required to be taken up on EPC.

(xi) Empowering the Board of NHAI to accept single bids after examining the reasonableness of the same.

(xii) Raising of overall VGF cap of 5% to 10% for the entire six-laning programme, and consideration of individual projects in low traffic GQ stretches with VGF up to 20% within an overall cap of 500 Km out of the 5080 Km of the Phase-V programme yet to be awarded.

(xiii) Funding of the NHDP Projects under SARDP-NE and in Jammu & Kashmir with Additional Budgetary Support (ABS) over and above the cess that the Government provides to NHAI on a yearly basis.

(xiv) 'In Principle' approval of the Government Support to the NHAI for:-

a. Issuance of Tax exempted bonds

b. Guarantee cover to the Borrowing Plan of NHAI.

c. Out of the borrowing approval of Rs.30,000 crores earlier provided to Indian Infrastructure Finance Company Limited (IIFCL), Rs. 10,000 crores under the fiscal stimulus package will be transferred to NHAI, as per the its borrowing requirement.

d. Assistance in negotiating non-sovereign multilateral loans from World Bank, ADB, JBIC etc. by providing back to back support, if necessary.

e. Providing a Letter of Comfort from Ministry of Finance confirming the availablity of Cess at least till 2030-31.

Review of bidding procedure

1490. SHRI JABIR HUSAIN:

DR. T. SUBBARAMI REDDY:

Will the Minister of ROAD TRANSPORT AND HIGHWAYS be pleased to state:

(a) whether Government has finally cut red tape that kept the road sector tied down;

(b) whether he has decided on bidding procedure and made changes to bid documents effectively keeping Planning Commission out of the entire process;

(c) whether private sector virtually lost interest in road projects over the last two years after Planning Commission advised and introduced string of tricky clauses in bid documents;

(d) if so, whether Planning Commission recommended that his Ministry be given a free hand in making changes to request for qualification etc; and

(e) if so, to what extent this position has helped in completing road projects?

THE MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS (SHRI R.P.N. SINGH) : (a) to (e) With a view to resolve the procedural impediments, Government has